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VILLAGE OF TINLEY PARK
TAX INCREMENT REDEVELOPMENT PROJECT AREA
REDEVELOPMENT PLAN AND PROJECT

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and

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I. INTRODUCTION

The Village of Tinley Park, Illinois (the "Village"), a home-rule municipality under the Illinois Constitution, is located approximately 30 miles southwest of downtown Chicago and encompasses approximately 9.5 square miles. The Village is generally bordered by Orland Park to the west, Oak Forest to the north, forest preserves to the east, and a predominantly unincorporated area to the south.

Settlement in the area of present day Tinley Park began in the 1830's. The Village was established in 1853 on the route of the Chicago, Rock Island and Pacific Railroad, and was originally known as the Village of Bremen (or New Bremen after the post office that served the area), adopting the name of the township in which it was located. The location on the railroad helped to ensure and encouraged the economic growth of the community.

In 1890, the Village changed its name to Tinley Park in honor of the community's first railroad stationmaster Samuel Tinley, Jr.

The Village continued to grow subsequently. The first municipal water system was installed in 1899-1900 and was financed by local citizens. Local businessmen established their own electric utility in 1909, and a variety of business were established over time (the e.g., manufacturing of washing machines, a bottling plant, etc.)

The Village of Tinley Park has designated the area of the 1892 village boundaries a local historic district. Through the Tinley Park Historic Preservation Commission, property owners within the district are encouraged to preserve and restore the historic appearances of their structures. A building constructed in 1871 by Carl Vogt has been listed on the National Register of Historic Places, and several homes and other buildings have been identified in the Illinois Historic Structures Survey.

Village population was recorded at 12,382 at the time of the 1970 census. By 1980, with the development of residential single-family housing, the population had more than doubled, reaching 26,171. In 1985, a special U.S. census for the Village recorded its population at 28,050. According to the 1990 Census, the Village's population was 37,121. According to estimates by the Northeastern Illinois Planning Commission (NIPC), the current population is expected to grow significantly by the year 2005. METRA, a division of the Regional Transportation Authority, now serves 4,000 commuters each weekday at two Village commuter train stations.

Major highways traverse Tinley Park giving the community access to both metropolitan and national highway systems. Interstate 80 traverses the southern portion of the Village and links Tinley Park with Interstate 294 (the Tri-State Tollway) to the north and Interstate 57 to the east. U.S. Highway 6 (159th Street) and Illinois Highway 43 (Harlem Avenue) are major arteries crossing the Village.

The Redevelopment Area

The Village desires the development of certain underutilized and vacant land, both within the Village and adjacent to it, so as to continue to expand and diversify the tax base. Lack of appropriate infrastructure, and the presence of blighting factors reviewed in Exhibit 5 have served to impede the development of land within the Redevelopment Project Area (the "RPA"). Flooding conditions and the economic costs of mitigation required to make the land developable have served to negatively impact property within the area. The proposed RPA is comprised of both vacant and improved land.

A boundary description of the Redevelopment Project Area is described in the attached legal description (Exhibit 1) and illustrated in the attached Boundary Map (Exhibit 2). The area is generally described as follows:

The area is principally bounded on the north by 178th street; on the east by Oak Park Avenue; on the west by the property lines of property fronting Oak Park Avenue and on 183rd street and south of 183rd street by Harlem Avenue; and on the south by Interstate I-80.

(NOTE: A portion of the area is outside of current Village boundaries; prior to RPA designation, such property would have to be annexed. The Village has communicated with the owners of the properties to be annexed within the RPA and have identified a timetable for annexation conformant with the proposed designation of the RPA. At the time of the preparation of this Plan, all of the terms of annexation have not been finalized, but the owners will be expected to comply with certain Village requirements and the Village would expect to provide certain utility/services to owners subject to the terms of the agreements with the individual owners.)

The Village encourages controlled growth of the community that follows the Village's Comprehensive Plan. The Village wishes to actively promote itself as a location for commercial and mixed use enterprises, for such enterprises will serve to enhance and diversify both the economy and the tax base of the Village. An enhanced tax base enables the Village to expand and improve services without straining the Village's fiscal integrity. The Village wishes to encourage the development of the property for commercial and appropriate mixed use purposes conformant with Village plans and policies. In order to facilitate such development, the Village must address the deficiencies associated with the RPA property. Extension of road access and infrastructure along with certain property assembly are critical to the implementation of viable projects within the RPA.

Mitigation of flooding conditions within the RPA needs to be addressed. To promote the development of the RPA which will lead to the promotion of the health, safety, welfare and morals of the Village and its citizens, the Village has examined the use of tax increment financing for use within the RPA.

The Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of a redevelopment plan. The Village has prepared this redevelopment plan to use tax increment financing in order to address its economic development needs and meet its redevelopment goals and objectives.

The Redevelopment Plan

The Village of Tinley Park recognizes the need for the implementation of a strategy to generate development within the RPA, create jobs within the boundaries of the RPA, and strengthen and diversify the Village's economy and tax base. The Redevelopment Plan will address the development of the property located within the RPA for primarily commercial uses which is expected to result in significant new property taxes. Encouragement of the utilization of the site will serve to spur investment and provide for the continued enhancement of the immediate area. The redevelopment plan provides for a modern, market-oriented use of the property.

The needed public investment will be possible only if tax increment financing is adopted pursuant to the terms of the Tax Increment Allocation Redevelopment Act, Illinois Compiled Statutes Chapter 65, Section 5/11-74.4-1, as amended (the "Act"). Incremental property tax revenue generated by the development will play a decisive role in encouraging private development. Blighted area conditions that have precluded any significant private investment in the past will be addressed and alleviated.

Through this Redevelopment Plan and Project, the Village will serve as the central force for marshalling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the Village and all the taxing districts which encompass the RPA in the form of a significantly expanded tax base. Redevelopment of the TIF area is tenable only if a portion of the improvements are funded by tax increment financing.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic development of the proposed area. By means of public investment, the RPA will become an improved, more viable environment that will attract private investment and diversify the Village tax base.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefitted by the redevelopment project. Also pursuant to the Act, and which can be evidenced above, the RPA is not less in the aggregate than 1 1/2 acres.

II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

The Redevelopment Project Area legal description is attached in Exhibit 1.

III. TINLEY PARK REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The goals of the Village for the RPA, as expressed in this Plan, conform to the Village's comprehensive plan. A broadened, diversified tax base is necessary to maintain essential public services to the Village and strengthen its economy.

General Goals

- 1) To provide for implementation of economic development strategies that benefit the Village and its residents.
- 2) To provide basic infrastructure improvements where necessary within the RPA.
- 3) To address flood mitigation measures and improvements where necessary within the Village and the RPA.
- 4) To diversify and strengthen the property tax base of the Village and other affected taxing districts.
- 5) To coordinate all redevelopment activities within the RPA in a comprehensive manner, avoiding land use conflicts and negative community impacts with the surrounding area residents and existing users.
- 6) To create a cooperative partnership between Village and private sector interests existing or seeking to locate within the RPA.

Specific Objectives

- 1) To encourage redevelopment of the land located within the RPA, as well as any vacant or underutilized properties nearby.
- 2) To provide infrastructure improvements necessary to the development of commercial and appropriate mixed-use facilities within the RPA.
- 3) To improve the network of streets and support utilities within the Village.
- 4) To encourage the creation of jobs within the boundaries of the Village.
- 5) To provide flood retention/detention improvements and associated public improvements within the RPA in order to alleviate conditions both within the RPA and the areas adjacent to the RPA that have been adversely affected by flooding.
- 6) To provide such assistance as is found appropriate in order to make the cost of locating within the RPA market-competitive with other locations.

IV. EVIDENCE OF LACK OF DEVELOPMENT AND GROWTH WITHIN RPA AND ASSESSMENT OF FISCAL IMPACT ON AFFECTED TAXING DISTRICTS

A. Evidence of Lack of Development and Growth Within Redevelopment Project Area

As stated in Exhibit 5 to this Plan, the RPA has suffered from lack of development and growth due to piecemeal annexation and lack of coordinated infrastructure development.

When compared to areas surrounding it, the RPA demonstrates substantial lack of development through private investment. Evidence of conditions which contribute to this result include:

- * Area uses are categorized by a mixture of commercial and residential uses of varying character and age indicating lack of community planning;
- * A number of demolition permits have been issued in the past years;
- * The area as a whole is not served by public water and sewer service; and
- * Lot sizes and building setbacks are irregular and reflect earlier, semi rural development patterns.

The needed private investment will be possible only if benefits related to tax increment financing are created pursuant to the terms of the Act. Property tax incremental revenue generated by the development will play a decisive role in encouraging private development. Conditions of obsolescence, depreciation, and underutilization that have precluded significant private investment in the past will be addressed.

Through this Redevelopment Plan and Project, the Village will serve as the catalyst for mobilizing the assets and energies needed to promote private sector investment for a unified cooperative public-private redevelopment effort. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the Village and all the taxing districts which encompass the RPA in the form of a significantly expanded tax base, retain existing businesses in need of expanding their operations and create new employment opportunities as a result of new private development in RPA.

B. Assessment of Fiscal Impact on Affected Taxing District

Given the economic characteristics of the RPA, it is not anticipated that the implementation of this Plan will have a negative financial impact on affected taxing districts.

Action taken by the Village to stabilize and cause growth of its tax base through the implementation of this Plan and Project will have a positive impact on the affected taxing districts.

Given the nature of uses to be promoted through this Plan and Project, it is not anticipated that the RPA will require increased services from any affected taxing districts other than the Village. However, the Village will carefully monitor growth within the RPA and, where appropriate will take actions as required by the Act to mitigate any unanticipated impact on affected taxing districts. Strategies will be encouraged to promote growth and development.

Part of the purpose of this Plan and Project is to assist the Village with the cost of such improvements.

V. TIF QUALIFICATION FACTORS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Findings

The Redevelopment Project Area was studied to determine its qualifications as a "blighted area" as such term is defined in the Tax Increment Allocation Redevelopment Act, Illinois Compiled Statutes, Chapter 65, Section 5/11-74.4-1 as amended (the "Act"). It was determined that the area as a whole qualifies as a "blighted area". Refer to Exhibit 5 for a summary of findings and a list of existing qualification factors for the area.

Eligibility Survey

The entire designated Redevelopment Project Area was evaluated by representatives from the Village of Tinley Park and Kane, McKenna and Associates, Inc. ("KMA"). In such evaluation, only information was recorded which would directly aid in the determination of eligibility for a Tax Increment Finance District.

VI. REDEVELOPMENT PROJECT

A. Redevelopment Plan and Project Objectives

The Village of Tinley Park proposes to realize its goals and objectives of encouraging the development of the RPA and encouraging private investment in mixed use and commercial redevelopment projects through public finance techniques including but not limited to Tax Increment Financing by:

- (1) Implementing a plan that addresses the redevelopment costs of land acquisition and assembly, site preparation, demolition/removals, and provision of infrastructure improvements or upgrading that may be necessary to attract commercial facilities to the RPA.
- (2) Improving public facilities that may include:
 - i. Street and sidewalk improvements (including new street construction and widening of current streets)
 - ii. Utility improvements (including but not limited to, water, storm water management, and sanitary sewer improvements, if necessary)
 - iii. Flood mitigation improvements and associated utility improvements including, but not limited to, relocation of wetlands areas and other detention/retention public improvements
 - iv. Landscaping or streetscaping
 - v. Signalization, traffic control and lighting
- (3) Entering into redevelopment agreements with developers for qualified redevelopment projects.
- (4) Utilizing interest cost write down pursuant to provisions of the Act.

B. Redevelopment Activities

Pursuant to the foregoing objectives, the Village of Tinley Park will implement a coordinated program of actions, including, but not limited to, site preparation, land acquisition, infrastructure improvement and upgrading, and provision of public improvements such as street improvements and extensions and flood mitigation improvements where required. These actions are described generally within the Plan. Actual commitments of public assistance would require Village Board approval and the execution of redevelopment agreements that commit the parties to undertake specific actions.

Public Improvements

The Village may provide certain public improvements in the RPA in order to enhance the immediate area and to support the Redevelopment Plan and Project, serving the needs of Village residents. Appropriate public improvements may include but are not limited to:

- * construction of new right-of-ways including streets, turning lanes, curbs and gutters;
- * improvements of public utilities including construction and/or replacement of water mains as well as sanitary and storm sewers, retention/detention ponds, if necessary;
- * provision of traffic signalization and lighting;
- * beautification, preservation of wetlands, identification markers, landscaping/streetscaping, lighting and signage of public right-of-ways; and
- * site preparation measures including certain flood mitigation improvements in order to correct or address flooding associated with property located within or adjacent to the RPA.

Construction of New Right-of-Ways

The Village may construct a right-of-way(s) through the RPA in order to provide access to facilities within the RPA from certain arterial streets.

Land Assembly and Disposition

Certain properties in the RPA may be acquired by the Village and may be assembled into appropriate redevelopment sites or utilized for public improvements such as streets and infrastructure extension. These properties may be acquired by the Village, subject to Village Board approval, and subsequently conveyed by the Village to a private developer or developers, in whole or in part, for redevelopment. Site preparation may also be provided by the Village in order to prepare property through excavation, grading, or relocation of wetlands.

Interest Cost Write Down

Pursuant to the Act, the Village may allocate a portion of incremental tax revenues to reduce the interest cost incurred by developers in connection with redevelopment activities, enhancing the redevelopment potential of the RPA.

Rehabilitation

The Village may provide for the rehabilitation of certain structures within the RPA in order to provide for the redevelopment of the area and conformance to Village code provisions. Improvements may include exterior and facade related work as well as interior related work.

Relocation

The Village or the developer may provide for relocation conformant with its policies and regulations in order to accomplish the goals and objectives of the Plan, using Federal, State or municipal criteria.

C. General Land Use Plan

Existing land uses in the RPA are primarily vacant south of 183rd street and there are improved residential and commercial properties north of 183rd street. Proposed land uses are intended to be commercial and mixed use. Any residential redevelopment that would be considered by the Village would be ancillary to the primary commercial/mixed uses preferred by the Village. Residential redevelopment would require further discussions and review with affected taxing districts, including an analysis of estimated fiscal impacts.

All redevelopment projects shall be subject to the provisions of the Village Zoning Ordinance as such may be amended from time to time. The Village does not expect to utilize TIF increment for assistance related to the development fast food commercial establishments.

D. Additional Design and Control Standards for Community Development in the Village of Tinley Park

Any additional controls and design criteria shall be in accordance with the Village Zoning Ordinance as amended from time to time or any Planned Unit Development requirements as determined by the Village.

E. Estimated Redevelopment Project Costs

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred as provided in the Act, and any such costs incidental to this Redevelopment Plan and Project. Private investments which supplement "Redevelopment Project Costs" are expected to substantially exceed such redevelopment project costs.

- (1) Costs of studies and surveys, development of plans and specifications, implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected;
- (2) Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
- (3) Costs of rehabilitation, reconstruction or repair or remodeling of existing buildings and fixtures;
- (4) Costs of the construction of public works or improvements;
- (5) Costs of job training and retraining projects;
- (6) Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued pursuant to the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
- (7) All or a portion of a taxing district's capital cost resulting from the redevelopment project necessarily incurred or to be in furtherance of the objectives of the redevelopment plan and project, to the extent the Village by written agreement accepts and approves such costs;
- (8) Relocation costs to the extent that the Village determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
- (9) Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Redevelopment Project Area; and (ii) when incurred by a taxing district or taxing districts other than the Village, are set forth in a written agreement by or among the Village and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources

of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code.

- (10) If deemed prudent by the Board of Trustees of the Village for a particular redevelopment project, interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act; and
 - (b) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year; and
 - (c) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (10) then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
 - (d) the total of such interest payments incurred pursuant to the Act may not exceed 30% of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to the Act.

- (11) Payments in lieu of taxes.

Estimated costs are shown in the next section. Adjustments to these cost items may be made without amendment to the Redevelopment Plan. The costs represent estimated amounts and do not represent actual Village commitments or expenditures. * Rather, they are a ceiling on possible expenditures of TIF funds in the Redevelopment Project Area.

- * Note: The Village, as part of its redevelopment efforts may issue obligations (as described here) to fund necessary public improvements. Once these obligations have been serviced, the Village contemplates the distribution of the remaining funds in the Special Tax Allocation Fund to the other taxing districts.

REDEVELOPMENT PROJECT - ESTIMATED PROJECT COSTS

<u>Program Action/Improvement</u>	<u>Estimated Costs(A)</u>
1. Land Acquisition, Clearing/Grading, Demolition, and Site Preparation (including Flood Control Measures)	\$ 5,500,000
2. Utility Improvements; Roadway Improvements, Signalization and related traffic improvements; and Public facilities or related public improvements.	10,000,000
3. Interest cost pursuant to the Act	3,500,000
4. Planning, legal, engineering, administrative and other professional service costs related to property acquisition, site improvement, and redevelopment	500,000
5. Job Training	<u>500,000</u>
TOTAL ESTIMATED COSTS	\$20,000,000

(A) All project cost estimates are in 1994 dollars. In addition to the above stated costs, any issue of bond to finance a phase of a project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations as well as to provide for capitalized interest and reasonably required reserves. Adjustments to the estimated line item costs above are expected. Each individual project cost will be reevaluated in light of projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment.

F. Sources of Funds to Pay Redevelopment Project Costs Eligible Under Illinois TIF Statute

Funds necessary to pay for public improvements and other project costs eligible under the TIF statute are to be derived principally from property tax increment revenues, proceeds from municipal obligations to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Plan and Project.

"Redevelopment Project Costs" specifically contemplate those eligible public costs set forth in the Illinois statute and do not contemplate the preponderance of the costs to redevelop the area. It is expected that the majority of development costs will be privately financed, and TIF or other public sources are to be used only to leverage and commit private redevelopment activity.

The tax increment revenues which will be used to pay debt service on the tax increment obligations, if any, and to directly pay redevelopment project costs shall be the incremental increase in property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 1993 tax year for the RPA.

Among the other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are the following: special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, certain state and federal grants or loans, certain investment income, and such other sources of funds and revenues as the Village may from time to time deem appropriate.

The Redevelopment Project Area would not reasonably be expected to be developed in a coordinated manner without the use of the incremental revenues provided by the Act.

G. Nature and Term of Obligations to be Issued

The Village may issue obligations secured by the tax increment special tax allocation fund established for the Redevelopment Project Area pursuant to the Act or such other funds as are available to the Village by virtue of its power pursuant to the Illinois State Constitution.

Any and/or all obligations issued by the Village pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than twenty-three (23) years from the date of adoption of the ordinance approving the Redevelopment Project Area. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. The total principal and interest payable in any year, on all obligations shall not exceed the amount available in that year or projected to be available in that year, may be payable from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds and all other sources of funds as may be provided by ordinance.

Those revenues not required for principal and interest payments, for required reserves, for bond sinking funds, for redevelopment project costs, for early retirement of outstanding securities, and to facilitate the economical issuance of additional bonds necessary to accomplish the Redevelopment Plan, may be declared surplus and shall then become available for distribution annually to taxing districts overlapping the RPA in the manner provided by the Act.

Such securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds, with either fixed rate or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits except as limited by law; and with or without redemption provisions.

H. Most Recent Equalized Assessed Valuation (EAV) of Properties in the Redevelopment Project Area

The most recent estimate of equalized assessed valuation (EAV) for 1992* of the property within the RPA is approximately \$1,478,216 for the RPA. The Boundary Map, Exhibit 3, shows the location of the RPA.

I. Anticipated Equalized Assessed Valuation (EAV)

Upon completion of the anticipated private development of the Redevelopment Project Area over a ten (10) year period, it is estimated that the equalized assessed valuation (EAV) of the property within the Redevelopment Project Area will be approximately \$22,000,000. The estimate assumes a constant Cook County equalization factor (multiplier) of 2.0897 and 1994 dollars, and an estimated equalized assessment value increase of approximately \$20,000,000 resulting from new improvements in the RPA.

***Subject to adjustment to 1993 EAV amount should such amount become established by Cook County prior to adoption by the Village of TIF related ordinances.**

VII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

A. Redevelopment Project

An implementation strategy will be employed with full consideration given to the availability of both public and private funding. Such strategy will contribute to a realistic approach in funding all projects while assuring the Village the ability to fund those projects it deems to have the highest priority.

The Redevelopment Project will begin as soon as private entities have identified market uses for the sites and such uses are conformant with Village zoning and planning requirements. Depending upon the scope of the development as well as the actual uses, the following activities may be included:

Land Assembly and Disposition: Certain properties in the RPA may be acquired by the Village and may be assembled into an appropriate redevelopment site. These properties may be acquired by the Village, and subsequently sold or leased by the Village to a developer for redevelopment of the site.

Demolition and Site Preparation: The existing structures located within the RPA may have to be reconfigured or prepared to accommodate new uses or expansion plans. Partial demolition may be necessary as well as removal of debris. Additionally, the redevelopment plan contemplates site preparation, or other requirements necessary to prepare the site for the desired redevelopment.

Landscaping/Buffering/Streetscaping: The Village may fund certain landscaping projects which serve to beautify public properties or rights-of-way and provide buffering between land uses.

Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: The Village may extend or re-route certain utilities to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The provision of necessary detention or retention ponds may also be undertaken by the Village.

Roadway/Street/Parking Improvements: Widening of existing road improvements and/or vacation of roads may be undertaken by the Village. Certain secondary streets/roads may be extended or constructed by the Village. Related curb, gutter, and paving improvements could also be constructed as needed. Parking facilities may be constructed that would be available to the general public.

Public Facilities and Improvements: The Village may provide for the construction of public buildings and facilities in order to relocate institutional operations, needed services and to provide for efficient utilization of property within the RPA.

Utility services may also be provided or relocated in order to accommodate the renovation or expansion of buildings.

Traffic Control/Signalization: The Village may construct necessary traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment.

Public Safety Related Infrastructure: The Village may construct certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights.

Interest Cost Coverage: The Village may pay for certain interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.

Professional Services: The Village may use tax increment financing to pay necessary planning, legal, engineering, administrative and financing costs during project implementation.

B. Commitment to Fair Employment Practices and Affirmative Action

As part of any Redevelopment Agreement entered into by the Village and any private developers, both will agree to establish and implement a honorable, progressive, and goal-oriented affirmative action program that serves appropriate sectors of the Village. The program will conform to the most recent Village policies and plans.

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of sex, color, race or creed. Neither party will countenance discrimination against any employee or applicant because of sex, marital status, national origin, age, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including: hiring, upgrading and promotions, terminations, compensation, benefit programs and education opportunities.

All those involved with employment activities will be responsible for conformance to this policy and the compliance requirements of applicable state and federal regulations.

The Village and private developers will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level. Additionally, any public/private entities will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which all employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals.

Finally, the entities will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner. Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.

C. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs

This Redevelopment Project will be completed on or before a date 23 years from the adoption of an ordinance designating the Redevelopment Project Area. The Village expects that the Redevelopment Project will be completed sooner than the maximum time limit set by the Act, depending on the incremental property tax yield. Actual construction activities for expected projects are anticipated to be completed within approximately ten (10) years.

**VIII. PROVISIONS FOR AMENDING THE TAX INCREMENT REDEVELOPMENT PLAN
AND PROJECT**

This Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

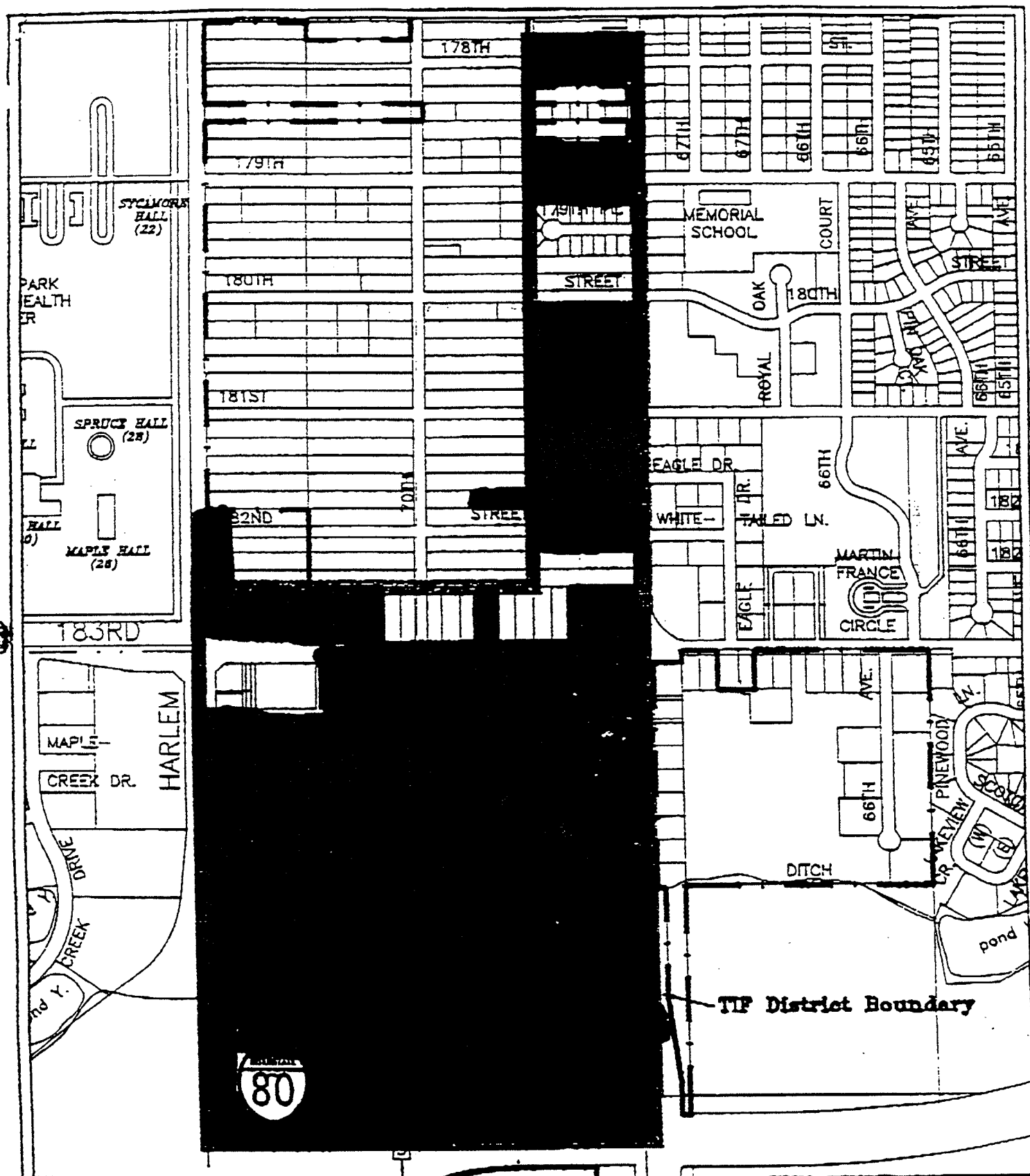
EXHIBIT 1

LEGAL DESCRIPTION

That part of Section 31, Township 36 North, Range 13, East of the Third Principal Meridian and Section 6, Township 35 North, Range 13 East of the Third Principal Meridian, lying North of the Indian Boundary line bounded and described as follows:

Commencing at the Southwest corner of the Northwest 1/4 of said Section 6; thence North along the West line of said Northwest 1/4 to the Northwest corner thereof (said Northwest corner also being the Southwest corner of the Southwest 1/4 of said Section 31); thence North along the West line of said Southwest 1/4 to the South line, extended West, of 182nd Street (said South line of 182nd Street being also the Northerly line of Block 11 in Elmore's Harlem Avenue Estates, a Subdivision in the West 1/2 of said Section 31, according to the plat thereof recorded January 21, 1928 as Document No. 10262889); thence East along said extended South line and the South line of said 182nd Street to a point 130 feet East, as measured along said South line, of the North West corner of Lot 18 in Block 11 in Elmore's Harlem Avenue Estates aforesaid; thence South to a point in the South line of Lot 16 in Block 11, 123 feet East, as measured along said South line, of the South West corner thereof; thence East along said South line of said Lot 16 to the Southeast corner thereof (said Southeast corner also being the Southwest corner of Lot 3 in said Block 11); thence continuing East along the South line and said South line extended East across Sayre Avenue of said Lot 3 in Block 11 to the Southwest corner of Lot 16 in Block 10 in Elmore's Harlem Avenue Estates aforesaid; thence continuing East along the South line of said Lot 16 to the Southeast corner thereof (said Southeast corner also being the Southwest corner of Lot 3 in said Block 10); thence North along the West line of said Lot 3 and the West line of Lots 1 and 2 in said Block 10 to the Northwest corner of said Lot 1; thence continuing North along the West line, extended North across 182nd Street, of said Lot 1 in Block 10 to the Southwest corner of Lot 6 in Block 9 in Elmore's Harlem Avenue Estates aforesaid; thence continuing North along the West line of said Lot 6 in Block 9 and the West line of Lots 1 to 5, both inclusive, in said Block 9 to the Northwest corner of said Lot 1; thence continuing North along the West line Extended North across 181st Street to the South West corner of Lot 6 in Block 6 in Elmore Harlem Avenue Estates aforesaid, then continuing North along the West line of said Lot 6 and the West line of Lots 1 to 5, both Inclusive, in said Block 6 to the North West corner of said Lot 1 thence continuing North along the West line Extended North across 180th street, of said Lot 1 in Block 6 to the Southeast corner of Lot 7 in Block 5 in Elmore's Harlem Avenue Estates aforesaid; thence continuing North along the East line of said Lot 7 and the East line of Lots 8 to 12, both inclusive, in said Block 5 to the Northeast corner of said Lot 12; thence continuing North along the East line, Extended North across 179th Street of said Lot 12 to the Southeast corner of Lot 7 in Block 2 in Elmore's Harlem Avenue Estates aforesaid; thence continuing North along the East line of said Lot 7 and the East line of Lots 8 to 12, both inclusive, in said Block 2 to the North East corner of said Lot 12; thence continuing North along the East line, extended North across 178th Street, of said Lot 12 in Block 2 to the Northerly line of said 178th Street (said Northerly line also being the South line of Lot 6 in Block 1 in Elmore's Harlem Avenue Estates aforesaid) thence East along said Northerly line and said Northerly line extended East across Oak Park Avenue of 178th Street to the East line of said Oak Park Avenue;

thence South along said East line and said East line extended across 178th Street, 179th Street, 180th Street, 181st Street, 182nd Street and 183rd Street of Oak Park Avenue to the South line of Section 31 aforesaid; thence continuing South along the said East line extended North and the East line of Oak Park Avenue to the South line of the North 1/2 of Section 6 aforesaid; thence West along said South line of the North 1/2 of Section 6 to the place of beginning (excepting therefrom that part thereof falling in the following described 7 parcels: (1) Lots 2 and 4 in Block 2 in Elmore's Harlem Avenue Estates aforesaid, (2) Lots 1 to 5, both inclusive, and the 33 foot dedicated street lying West of and adjoining said Lot 5 in Therese's Resubdivision of Lot 3 in Block 2 in Elmore's Harlem Avenue Estates aforesaid, according to the plat thereof recorded May 9, 1972 as Document No. 21896053, (3) Lots 5, 6 in Block 5 in Elmore's Harlem Avenue Estates aforesaid, (4) Lots 1 to 16, both inclusive, and all of 179th Place adjoining said Lots in Tinley South Resubdivision of Lots 2, 3 and 4 in Block 5 in Elmore's Harlem Avenue Estates aforesaid, according to the plat thereof recorded June 16, 1976 as Document No. 23522845), (5) Lots 2, 3, 8 to 11, both inclusive, 13, 14 and 15 in Block 10 in Elmore's Harlem Avenue Estates aforesaid, (6) Lots 4 and 5 in Block 11 in Elmore's Harlem Avenue Estates aforesaid, (7) that part of the North 330 feet of the West 641.71 feet of the North West 1/4 of Section 6, Township 35 North, Range 13 East of Third Principal Meridian, lying North of the Indian Boundary Line, lying South, South Easterly and Easterly of the following described line, commencing at a point 70 feet South and 641.71 feet East of the North West corner of the North West 1/4 of Section 6 aforesaid; thence West parallel with said North line of said Northwest 1/4, a distance of 501.71 feet to a point, distant 140 feet East measured at right angles from said West line of said Northwest 1/4; thence Southwesterly in a straight line a distance of 63.43 feet to a point, distant 95 feet East measured at right angles from said West line of said Northwest 1/4; thence South parallel with the West line of said Northwest 1/4, a distance of 126.71 feet to a point; thence Southeasterly in a straight line a distance of 88.40 feet to a point in the South line of the North 330 feet aforesaid, all in Cook County, Illinois.



Oak Park Ave. TIF District

EXHIBIT 3

EXISTING LAND USES - RPA

EXHIBIT 4

PROPOSED LAND USES - RPA

EXHIBIT 5

CRITERIA FOR QUALIFICATION

**VILLAGE OF TINLEY PARK
TIF QUALIFICATION/DESIGNATION REPORT
OAK PARK AVENUE AREA**

A study to determine whether all or a portion of the Oak Park Avenue Area qualifies as a blighted area as set forth in the definition in the Tax Increment Allocation Redevelopment Act of constituting Chapter 65 ILCS Section 5/11-74.4-, et seq of the Illinois Compiled Statutes as amended. (the "Act").

Prepared For: Village of Tinley Park

Prepared By: Kane, McKenna and Associates, Inc.

October, 1994

**VILLAGE OF TINLEY PARK
TIF QUALIFICATION REPORT**

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MAP

1. Proposed TIF Boundary and Study Area

EXHIBITS

1. Legal Description

I. INTRODUCTION AND BACKGROUND

In the context of planning for the proposed Village of Tinley Park (the "Village") Oak Park Avenue Redevelopment Project Area ("RPA"), the Village requested that Kane, McKenna and Associates, Inc. ("KMA") study the area in its entirety to determine whether it qualified for consideration as a TIF District. Such area is generally described in the following manner.

The area is principally bounded on the north by 178th Street, on the east by Oak Park Avenue, on the west by the property lines of property fronting Oak Park Avenue and on 183rd Street and south of 183rd Street by Harlem Avenue, and on the south by Interstate I-80.

The area to the north of 183rd Street is categorized by residential and commercial uses as well as vacant lots interspersed between improved parcels. The area south of 183rd Street is categorized as primarily vacant land. A radio tower exists on a portion of the site and there are three structures fronting 183rd Street.

Some of the properties included in the study area are not currently within the Village boundaries and would have to be annexed prior to a formal TIF designation by the Village.

The area west of the proposed RPA is not within the boundaries of the Village. Overall, the entire area has been categorized by piecemeal annexation and has not benefitted from a comprehensive infrastructure network. Due to the piecemeal annexation, many of the uses have been also been fragmented. As an example, there are residential uses and driveways fronting arterial roadways, deep or irregular lot sizes and commercial uses are interspersed with residential uses. Many of the lot sizes and set backs stem from a semi-rural development pattern that favored larger lots with buildings constructed non uniformly on lots.

The vacant land area south of 183rd Street has experienced flooding and a portion of the property is crossed by the Union Drainage Ditch (a floodplain designation also exists for a portion of the property).

Inadequate utilities, particularly storm sewers, are also a problem throughout the area.

Overall, the RPA is being divided for study purposes into a vacant portion in the south (Tract A) and an improved area (which is the balance of the RPA - Tract B). The qualification factors discussed within this report qualify the area as a "blighted" area.

II. QUALIFICATION CRITERIA USED

With the assistance of Village staff, Kane, McKenna and Associates, Inc. examined the proposed Study Area in March and April, 1994 and reviewed information collected for the area to determine the presence or absence of appropriate qualifying factors listed in the Illinois Tax Increment Allocation Act (hereinafter referred to as "the Act") constituting Chapter 65 ILCS Section 5/11-74.1 et seq. as amended. The relevant sections of the Act are found below.

The Act sets out specific procedures which must be adhered to in designating a redevelopment project area (RPA). By definition, a "redevelopment project area" is:

"an area designated by the municipality, which is not less in the aggregate than 1 1/2 acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area or a conservation area, or a combination of both blighted areas and conservation areas."

The Act defines a "blighted" area as follows:

"any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of 5 or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning, is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired by 1) a combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or 2) the area immediately prior to becoming vacant qualified as a blighted improved area, or 3) the area consists of an unused quarry or unused quarries, or 4) the area consists of unused railyards, rail tracks or railroad rights-of-way, or 5) the area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 5 years, or 6) the area consists of an unused disposal site, containing earth, stone, building debris

or similar material, which were removed from construction, demolition, excavation or dredge sites."

The criteria listed in the Act have been generally defined for purposes of the analysis of the Study Area as follows:

1. Age. Simply the time which has passed since building construction was completed.
2. Illegal Use of Individual Structures. The presence on the property of unlawful uses or activities.
3. Structures Below Minimum Code Standards. Structures below local code standards for building, fire, housing, zoning, subdivision or lack of conformance with other applicable governmental codes.
4. Excessive Vacancies. When the occupancy or use level of the property is low for frequent or lengthy periods so as to represent an adverse area influence.
5. Lack of Ventilation, Light or Sanitary Facilities. Conditions which could negatively influence the health and welfare of building users.
6. Inadequate Utilities. Deficiencies in sewer, water supply, storm drainage, electricity, streets or other necessary site services.
7. Dilapidation. The condition where the safe use of the building is seriously impaired, as evidenced by substandard structural conditions; this is an advanced stage of deterioration.
8. Obsolescence. When the structure has become or will soon become ill-suited for the originally designed use, or the overall area suffers from obsolescence of platting, public works or community facilities.
9. Deterioration. A condition where the quality of the building has declined in terms of structural integrity and/or building systems due to lack of investment, misuse or age.
10. Overcrowding of Structures and Community Facilities. A level of use beyond a designated or legally permitted level.
11. Excessive Land Coverage. Site coverage of an unacceptably high level.

12. Deleterious Land Use or Layout. Inappropriate property use or platting, or other negative influences not otherwise covered, which discourages investment in a property.
13. Depreciation of Physical Maintenance. Decline in property maintenance which leads to building degeneration, health and safety hazards, unattractive nuisances, unsightliness, property value decline and area distress.
14. Lack of Community Planning. Deficiency in local direction of growth, development or redevelopment in order to maintain or enhance the viability of the area or community.

The criteria listed in the Act were defined for purposes of analysis of vacant land as follows:

1. Obsolete Platting. Recorded easement, rights-of-way, points of egress or lot or property lines are so recorded in a manner which is inimical to the redevelopment or properties.
2. Diversity of Ownership. Ownership of adjacent parcels by different parties serving to impede any assembly of land for development or redevelopment purposes.
3. Tax and Special Assessment Delinquencies. Any unpaid tax or special assessment bill currently attached to any parcel in the RPA.
4. Deterioration of Structures of Site Improvements in Neighboring Areas. The presence of deterioration as defined in nearby structures.
5. Flooding on All or Part of Such Vacant Land. The presence of flood plains or any recent history of flooding on any part of such land.

The final criteria listed in the Act as defined for purposes of analysis of vacant land as follows:

1. Chronic Flooding. A history of serious flooding problems which has been in existence for at least five (5) years. Such chronic flooding must adversely impact real property. There may be nearby improvements including structures, parking lots, and roads substantially contributing to flooding.

2. Unused Disposal Site. The area consists of an unused disposal site containing earth, stone, building debris, or similar material, which were removed from construction, demolition, excavation, or dredge sites.
3. Blighted Prior to Vacancy. The area, immediately prior to becoming vacant, qualified as a blighted area as defined earlier by the Act.
4. Unused Quarries. The presence of unused quarry or quarries.
5. Unused Railways. The presence of unused railyards, rail tracks or railroad rights-of-way.
6. Vacancy as Percentage of Acreage. The area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for years prior to the designation of the redevelopment project area and meets at least one (1) "blighted" factor (described above) and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

The evidence included in this Report demonstrates that the qualifying factors are present to a meaningful extent for the RPA. Furthermore, the presence of qualifying factors are reasonably distributed throughout the RPA.

III. THE STUDY AREA

The Study Area is divided into two (2) tracts for analytical purposes. Tract A is largely vacant property, while Tract B is largely improved. The tracts are divided along 183rd Street that distinctly separates the Tracts. Tract A is being examined for its qualification as a "blighted vacant" area, and the remainder of the properties as a "blighted improved" area.

Tract A, is located south of 183rd Street and is bounded by Harlem Avenue on the west, Oak Park Avenue on the east, and I-80 on the south. Note: the three structures fronting 183rd Street are, for analytical purposes included in the improved area of Tract B. Tract B is located north of 183rd Street and consists of property fronting either 183rd Street, Harlem Avenue, or Oak Park Avenue and it extends north along Oak Park Avenue to 178th Street. Some properties have not been included in the proposed study area and these properties are identified in Map 1.

IV. METHODOLOGY OF EVALUATION

In evaluating the proposed RPA's potential qualification as a TIF District, the following methodology was utilized:

- 1) Site surveys of the proposed RPA were undertaken by representatives from KMA. Site surveys were completed for each parcel within the area.
- 2) An evaluation of all structures, noting depreciation, deterioration, or dilapidation as well as apparent vacancies or possible code violations was completed.
- 3) The area was studied in relation to review of available planning reports, Village ordinances, aerial photos, local history (discussions with Village officials, and an evaluation of area-wide factors that have affected the area's development (e.g., lack of community planning, piecemeal annexation, etc.). KMA reviewed the area in its entirety. Village redevelopment goals and objectives for the area were also reviewed.
- 4) Individual structures were initially surveyed only in the context of checking, to the best and most reasonable extent available, criteria factors of specific structures on particular parcels.
- 5) Evaluation was made by reviewing the information and determining how each measured when evaluated against the relevant factors.

Improved land within the proposed RPA was examined to determine the applicability blighting factors for qualification for TIF designation under the Act. Vacant land was reviewed in relation to the appropriate blighting factors listed within the Act.

V. QUALIFICATION OF PROPOSED RPA/FINDINGS OF ELIGIBILITY

As a result of evaluation of each parcel in the proposed TIF District, and analysis of each of the eligibility factors summarized in the previous section, the following factors are presented to support qualification of the proposed RPA as an "blighted" area.

A. VACANT AREA FACTORS

Tract A contains the following qualification factors as previously defined.

1. Flooding on All or Part of Such Land

As designated in the Federal Insurance Administration's Flood Insurance Rate Map Panel 170169-0010 the center portion of Tract A is designated as Zone B which is defined within the map as "Areas between limits of the 100 year flood and 500 year flood". A very small portion that runs through the center of Zone B from east to west is classified as Zone A 5 which is defined as "Areas of 100-year flood; base flood elevation and flood hazard factors determined". The southwest area is subject to ponding.

2. Diversity of Ownership

The ownership of the property in Tract A is categorized by a trust which includes several interests. The number of interests, as well as conflicting views have served to limit the redevelopment potential of the property. The Village experienced difficulty in the extension of utility service through the property. Lack of a common plan and coordination among that ownership interests has also impeded redevelopment of the area.

B. IMPROVED AREA FACTORS

1) Inadequate Utilities

A portion of the area in Tract B is not served by Village water or sanitary sewer, and on area wide basis, storm sewers are not present. Curb and gutter improvements along both 183rd Street and Oak Park Avenue are lacking.

2) Lack of Community Planning

The area has been categorized by a series of piecemeal annexations over the period of 1962 to the present. Although the Village has a comprehensive plan and has updated the plan, effective planning control and jurisdiction have been problematic due to incomplete Village control over the properties. Incomplete control is still evidenced as several parcels will need to be annexed prior to a TIF designation. Further, the bulk of the property west of Oak Park Avenue is outside of the Village boundaries and direct Village planning control. As a result, single family residences and driveways face or lead into arterials such as Harlem Avenue or Oak Park Avenue. Irregular lot sizes and varying property set backs are also present and evidence of lack of community planning.

3) Depreciation of Physical Maintenance

Area wide improvements such as curb and gutter are lacking, and the condition of roadways evidence depreciation especially on the shoulder areas.

Several structures and improvements evidence the following conditions:

- Cracks in streets, driveways, pavement
- Standing water in shoulders of right of ways
- Rusted downspouts and gutters
- Peeling paint and/or unpainted surfaces
- Loose shingles and eaves
- Missing mortar
- Need for tuckpointing (walls/openings)

4) Deleterious Layout

As mentioned previously, the area in Tract B has been categorized by piecemeal annexation and uncoordinated utility service. There are residential uses interspersed with commercial. And a number of driveways and entrances open into the high traffic roadways. Lot sizes are longer and narrower than typical for standard real estate development and improvements on the lots are sporadically placed and vary in both their character as well as location on individual lots.

5) Age

Over or 60 % of the structures are 30 years or older. Many of these structures were constructed at a time when the character of the area was rural or semi-rural and these improvements exhibit varying setbacks and configurations.

6) Deterioration

Pavement or site improvements on a number of lots exhibits deterioration.

7) Obsolescence

Many of the lots facing Oak Park Avenue exhibit lot sizes that are characteristic of an earlier semi-rural development and are not appropriate by modern development standards. Such lots would require a more intensive development scheme or a division into smaller parcels in order to conform to the current market.

8) Excessive Vacancies

There are a number of commercial vacancies and there are a number of vacant lots between structures or improved sections.

VI. SUMMARY OF FINDINGS AND OVERALL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as it relates to potential designation of the area by the Village as a TIF District:

1. The area is contiguous and is greater than 1 ½ acres in size.
2. Portions of the area have been qualified as "blighted improved area" and "blighted vacant area". A more detailed analysis of the qualification findings is mentioned in this report.
3. All property in the area would substantially benefit by the proposed redevelopment project improvements.
4. The sound growth of taxing districts applicable to the area, including the Village, had been impaired by the factors found present in the area.
5. The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

These findings, in the judgment of KMA, provide the Village with sufficient justification to consider designation of the subject area as a TIF District.

The area has not benefitted from coordinated planning efforts by either the public or private sectors. The need for a focus in redevelopment efforts relating to vacant land, business retention and expansion, and commercial attraction is important to the area's continued improvement.

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